



## Moving Home

Moving home can be one of the most stressful experiences that you are likely to encounter. We are here to help you through the process and this guide outlines the various stages of your move. Here at Hatch Brenner LLP we are committed to providing help and guidance through every stage.

Before we start we will need you to provide evidence of identification, this is checked in a variety of ways (in common with banks and building societies when opening an account) we will also ask you to instruct us to carry out various tasks on your behalf such as filing a tax return on your purchase. Please help us by completing and returning the forms that we send you as soon as you can.

Your home is probably your biggest asset and we would like to help you to understand the process involved in selling it. The following are some of the terms frequently used when selling and buying property.

### **"Conveyancing"**

This is the term used to describe the legal work done to transfer ownership of property between the seller and the buyer.

### **"Exchange of Contracts"**

The contract is prepared in duplicate by the Seller's conveyancers. The Sellers will sign one part of the Contract and the Buyers will sign the duplicate.

There is no legal contract until the two identical parts are dated and exchanged, the completion date has been agreed and the deposit paid. Once contracts have been exchanged the Contract legally binds both parties to proceed with the transaction and to complete on the agreed date.

All aspects of the transaction must be agreed before contracts are exchanged

The deposit is usually 10% of the agreed price.

### **"Completion"**

Completion is the date on which ownership of the property changes.

Once the Buyer's funds arrive with the Seller's conveyancers the transaction will complete and the buyers will be entitled to vacant possession.

Where you are selling a property (if you live in the property) you must arrange to move out of the property on or before the day of completion. Vacant possession means removing yourself from the property and all your possessions, inside and outside (including clearing the attic, sheds, garages and any other out-buildings and garden). You should, however, leave any items agreed (in the Schedule of Fixtures and Fittings).

## Selling

1. Once you have confirmed instructions for us to act for we will:-
  - (a) Apply to your lender for any title deeds that they hold and a redemption statement (for information purposes)

If you think there may be a shortfall between the price for the property and the liabilities to be repaid please tell us as soon as possible. It is our practice to obtain a redemption statement from your lender when the contract is issued.

- (b) Give you a breakdown of the costs involved
  - (b) Send you a Sale Questionnaire and Fixtures and Fittings List to complete, this forms part of the contract with the purchaser.
  - (d) Apply to the land registry for up to date copies of your deeds if the title is already registered
2. A draft contract is sent to the Buyers conveyancers, together with all the supporting documents. They may raise some queries which we will refer to you. Once the queries have been dealt with and the wording of the contract has been approved we will ask you to sign the contract.
3. When the Buyer's conveyancers have received their search results and their clients' mortgage offer and any queries have been resolved they will be ready to discuss the completion date and contracts can then be exchanged.
4. On the completion date, the property must be vacated and be clear of all your possessions (other than those which you have agreed to leave). Please leave the keys to the property with the estate agents, unless other arrangements have been made. From the proceeds sent to us by the purchasers' lawyer we will pay off the mortgage (if any) and settle the estate agents' invoice.
  - Please let us know if you anticipate any problems in respect of your proposed sale of the property (eg due to the structure of the property itself, or your ability to find alternative accommodation, or if you suspect there will be insufficient funds to pay off the mortgage in full or anything else).
  - If you are buying and selling properties at the same time, and relying on your sale proceeds for the purchase money on the new property, it will be necessary for you to complete your sale and purchase at the same time, i.e., move out of one property and into the other one on the same day.
  - You must continue the insurance on your property until completion.
  - You must let us know if you are in the process of making any claim on your buildings insurance policy as quickly as possible so that we can consider the way in which the matter should be dealt with.
  - You should be aware that if you are selling a property which has not been regarded as your main residence, a capital gains tax liability may arise. You will need to discuss this with your accountant.

- You must consider carefully the value of any extra items being sold and ensure that they are in fact worth the sum agreed particularly if this results in the Property falling into a different tax band rate for stamp duty. HMRC are likely to query any apportionment of the price where less tax is payable as a result and you need to be sure that any sum attributable to chattels is correct. By signing the stamp duty form you will be making a declaration about the correct amount of tax due.
- On exchange of contracts a deposit will be paid (usually 10% of the sale price). Sometimes a reduced deposit is offered by the buyers or their solicitors. Where a reduced deposit is accepted, there is the right to insist that the buyer makes up the balance of 10% if the buyer fails to complete the purchase of the property after contracts have been exchanged (but this is not always possible without taking legal action).
- If you are buying and selling at the same time it is anticipated that the deposit we receive on your sale may be sufficient to fund the deposit on your purchase, we will let you know if this is not the case.
- If you are going into rented accommodation it is advisable to delay committing yourself to any tenancy arrangements until contracts have been exchanged.
- You must check the Estate Agents' printed particulars concerning your property to ensure that they accurately represent all aspects of the property which you are selling, including items being left.

### **Leasehold Property**

If you are selling a leasehold property additional information will need to be provided to the Buyer about rent and service charge. Before exchange of contracts, the Buyers are entitled to see the last three years accounts in respect of the leasehold liabilities (rent and service charge). The purpose of this is so that a buyer can assess the future potential financial liabilities under the terms of the lease.

We will be required to obtain copies of the service charge accounts from the Landlords or their Managing Agents. These organisations frequently make a charge for providing copy documents and information regarding the leasehold accounts and buildings insurance arrangements. The charges vary considerably from say £80 to fees in excess of £250.

If you have paid all financial liabilities up to a date beyond the completion date then we will arrange for the payments to be apportioned (ie divided so that the Seller pays rent and service charge up to the date of completion and the buyer pays rent and service charge from the date of completion onwards). Any overpayment will be taken into account at completion.

Additionally, it is usual for the Seller's conveyancers to retain some of the sale funds on account until the service charge accounts for the current year are completed in case any further sum is payable by the Seller for the period up to the date of completion.

## Buying

You should consider carefully the Agents' particulars and let us know as soon as possible if you notice any discrepancies between the printed particulars and any information given to you by the Sellers or information obtained from your inspection of the property, or information received from us.

If you have relied on anything said to you by the Sellers or the Estate Agents, which is not covered in the contract, (a copy of which will be sent to you at a later stage), please let us know. Once contracts have been exchanged it will probably not be possible to take action if you have received any wrong or incomplete information from them.

We shall liaise with the Estate Agents involved in the purchase with such information as may be necessary unless you instruct us to the contrary.

The sellers' conveyancers will send us the draft contract as soon as we receive this we will:-

- (i) Apply for searches as appropriate.
- (ii) Examine the contract and title. We may need to refer some queries to the sellers' conveyancers.

Where borrowing is required to buy the property, the mortgage offer must be received from the lender in advance of exchange of contracts and any conditions in the offer must be satisfied.

If you are arranging any new life policies, we recommend that you receive acceptance of risk from the insurers before instructing us to exchange of contracts.

You will be advised to arranging buildings insurance with cover starting from the date of exchange of contracts. We recommend that you arrange a policy in principle before instructing us to exchange of contracts particularly where the Property is in a potential flood area.

When we are satisfied that all is in order, we will send you a written report, ask you to sign the contract and ask you for the deposit. The deposit on exchange will need to be received and cleared before exchange of contracts can be carried out.

Where there is a related sale we will normally be able to arrange for the amount received from your buyers as the deposit on your purchase.

### Valuations & Surveys

It is advisable to have the property surveyed as you will be purchasing it subject to any physical defects it may have. The various types of survey available are as follows:

#### 1. Valuation

The lender is likely to arrange a valuation. This type of inspection is conducted to establish whether the property you wish to buy will be adequate security for the amount of the mortgage. The report will not necessarily reveal sufficient information about the property to allow you to make a reasoned judgment as to

whether or not to proceed with the purchase. A valuation does not necessarily involve the lender's surveyor actually visiting the property

**2. RICS Condition Report**

This report is designed for a modern property where no significant defects are expected. It will not give a valuation or a recommended figure for insurance purposes. It will however rate various aspects of the property as being satisfactory or in need of attention

**3. Home Buyers Report**

This is a more detailed report than the Condition Report and will include a valuation and an idea about the extent and cost of necessary works

**4. Building Survey**

This is designed for older properties (or where you plan to extend/convert an existing building) where the construction and condition of the property is inspected. Its purpose is to identify any particular problems. There is no valuation or estimate for works that need to be done. The survey may recommend further inspection by a specialist.

**5. Structural Engineers Report**

This is a specialised report and is frequently advised where a surveyor has found evidence of structural problems at the property.

### **Home Improvements/ Alterations**

If you are purchasing property which requires modernisation or improvement, it is important that you tell us of any changes or additions you are considering making in the future so we can check that the property has all the necessary rights that you require. This is particularly important as regards services and access to the property. If the necessary rights are not in existence, you may not necessarily be able to acquire them at a later date, or you may have to pay a sum in return for such rights.

Please note that some alterations and extensions need planning consent and/or building regulation approval.

If the property is a listed building, listed building consent will be required from the local authority in respect of any works which may have been done to the property in the past or any which you may want to do in the future.

If the property is in a conservation area and, if you intend to carry out any works which will affect the appearance of the property you should check with the local authority as to whether consent will be required before you proceed with any work as the local authority will insist that such works are in keeping with the area.

Please tell us if you intend to use the property for any purposes other than, or in addition to, residential use (or its current use). Planning permission is required where a change of use or mixed use is being operated from the property, or anticipated in the future.

On a sale we are required to produce copies of all planning papers (planning consent, building regulation approvals and completion certificates) for all work carried out during your ownership. Where you have made alterations please let us know and pass copies of the relevant papers to us.

## Buying a Property in Joint Names

If you are buying the property with another person, or if a property is being transferred into joint names, you will need to decide how you own the property. We will ask you for a decision when we send you our written report.

### Joint Tenants

If you own the property as joint tenants, this means that if one of you dies his or her interest in the property passes automatically to the survivor. On the sale of the property, the two of you are each entitled to one half of the net proceeds of sale (after repayment of any mortgage and any sale costs), whether or not your contributions to the purchase price or payment of the mortgage instalments were equal.

### Tenants in Common

If you own the property as tenants in common, this means that you own distinct (and not necessarily equal) shares in the property. It is therefore important for you to seriously consider this option if you are contributing unequally towards the purchase price, either in respect of the amount you put down initially in the form of a deposit and/or in respect of the mortgage repayments.

On the death of one of you, the deceased person's interest will not automatically pass to the survivor but will fall into his or her estate and be distributed in accordance with the terms of his or her Will or if no Will has been made, under the intestacy rules. This may not be what you want and for that reason we urge you to make a Will setting out what is to happen to your share of the property in the event of your death.

If any of the following circumstances apply to you, then you should seriously consider buying the property as tenants in common

- you are married with children by a previous relationship.
- you are unmarried.
- you are contributing towards the purchase price or deposit in different shares.
- one party only is paying all the mortgage payments.
- you have assets worth over the current Inheritance Tax limits

If there is a mortgage, or other loans secured on property which is owned jointly, then you must appreciate that each owner of the property is totally responsible for all of the obligations and the whole of the mortgage/loan. This means that if one of you fails to pay the mortgage instalments, or fails to comply with other mortgage obligations, the other or others must fulfil the failing person's obligations in full.

## Leasehold Property

If you are purchasing a leasehold property please let us know as soon as possible. Nearly all flats are sold under long leases. If, however, you have any reason to believe you are purchasing a freehold flat please tell us as soon as possible.

A lease is the right to use premises for a fixed period of time in return for payments of:

- Ground Rent
- Service charge – a share of the costs for the upkeep and maintenance of the building itself; the common parts of the building, such as stairwells, entrance halls, lifts, and the garden grounds etc. and a share of the insurance premium.

The financial liabilities under the lease can be expensive and we will therefore expect to see details of accounts for the previous three years so that you can see how much you can expect to pay, based on previous accounts. However, we cannot estimate the cost of future work which the landlord may have to do to keep the building, the services and grounds (where applicable) maintained, decorated and in good repair.

Details of financial liabilities under the Lease may not be included in our Schedule of Estimated Costs and Expenses as this information is not always available at the early stages of the purchase.

### **Things We Would Like You to Tell Us**

- If you anticipate any problems in respect of your proposed purchase of the property, eg due to the structure of the property itself, the availability of funds or your ability to get the mortgage you require (if applicable) please let us know as soon as possible so that we can delay doing work on your behalf and incurring costs just in case the matter cannot go ahead.
- If you are in rented accommodation. It is advisable to delay serving notice to quit on your landlord until contracts have been exchanged and a fixed completion date has been agreed. If you are required to serve notice, please let us have details of the period of notice required to enable us to bear this in mind when exchanging contracts and agreeing a completion date suitable for you.
- Please let us know if it is apparent that any part of the property overhangs a passageway or the like. This is sometimes the case with bedrooms overhanging a passageway in respect of terraced houses or linked properties.
- Please tell us if you intend using the property for purposes in any way related to commercial, trade, agricultural or other business operations.

### **Exchange of Contracts**

1. Once we have all the information and dealt with all queries we will be ready to exchange contracts. However it may be that there are other people involved in the chain. This is where it can get complicated as everyone will need to complete their sale and purchase on the same day so as to avoid any “bridging” finance.

We will be involved in arranging a completion date that will suit all parties. This sometimes means that your preferred date cannot be met. This is because we have to wait for everyone in the chain to have gone through the same process as you, i.e. that they have

- (i) A mortgage (where appropriate)
- (ii) The required searches have been carried out
- (iii) The title and contract has been approved
- (iv) A completion date or dates have been suggested and agreed

Obviously it is not always possible to arrange a date that is satisfactory to everyone. However we will do our best and will be in regular contact with the estate agents and lawyers until the completion date has been agreed and exchange is carried out.

2. When exchange has taken place the completion date is legally binding so you can now go ahead and arrange your move. Below are some of the things that you will need to deal with:-

(a) On your sale: Contact the following and arrange for meters to be read and accounts transferred to new address where appropriate:-

Gas     Electricity     Water     Telephone Services

Cancel banker's Order for Mortgage payments, **after exchange of contracts**

Notify local authority of move and ask for council tax to be apportioned to the date of moving.

(b) On your purchase:  
Arrange contents and buildings insurance on your purchase

(c) On sale and purchase:  
- Book the removal van.  
- Notify the following of the change of address

Financial companies - These include your bank, credit card, investments, savings accounts, loans, life assurances, pensions, and shares.

Doctor, dentist, optician - Deregister if you're moving out of the area or notify your existing suppliers of your change of contact details.

Post - It takes five working days to set up the instruction to redirect your post

Deliveries - Notify deliveries such as milk and newspapers that you are moving and the date on which you'd like the service to stop.

Electoral register - Don't lose your right to vote - go online to update your details.

TV licence - If you don't notify TV Licensing of your new address, you could end up being unlicensed in your new home, risking prosecution and a fine of up to £1,000,

Employer

Schools

DVLA

Friends and relatives

Non-essential organisations - Don't overlook connections you may have to charities, loyalty cards, subscriptions, gym membership, and mail order and internet companies.

- Make arrangements for family/friends to look after any children and pets on the moving day!

## The Night Before

Pack a bag for each member of the family containing their essentials: change of clothes, nightwear, toiletries, and not forgetting bed linen and towels.

Organise a box for the kitchen containing tea, coffee, milk, mugs, cutlery, and the kettle.

Keep cleaning materials and the vacuum cleaner with you - you may have the chance to give the house a quick once-over before every room is filled with boxes.

Put together a mini-toolkit with a screwdriver and allen key, knife, tape, light bulbs, candles.

Keep important numbers with you, such as the solicitor and estate agent, and a pen and paper. A copy of the Yellow Pages may be handy if you have room - you never know if you'll need to call a plumber or glazier.

Charge mobile phones.

Defrost the freezer.

Put valuables and documents in a safe place.

## Completion

1. Before completion we will send you a statement of account showing you all the monies received and paid out. Where there is a balance required to complete we will need to have this as cleared funds at least one day before the completion date.
2. On completion day, if you have a related sale, we have to wait for the buyers' conveyancer to transfer the sale money to us before we in turn can send the money to the sellers' conveyance. It is impossible to predict an exact time when the transaction will complete but it is unusual for the keys to be available for your new purchase until lunch time on the day of completion. Please contact us before vacating your old house to ensure that everything is in order and do not hand over the keys until we confirm that the sale money has been safely received.

Where there is no related sale it is normal for us to transfer the money early in the day, however you are unlikely to receive the keys before midday as you have to allow time for the Seller to vacate the property.